

**PART 2A OF FORM ADV**  
**FIRM BROCHURE**

**Farley Capital II L.P.**

**800 Third Avenue, Suite 2305  
New York, New York 10022  
Tel: (212) 421-8741 • Fax: (212) 421-8745**

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**This brochure provides information about the qualifications and business practices of Farley Capital II L.P. (“Farley Capital”). If you have any questions about the contents of this brochure, please contact Kenneth Fisher at (212) 421-8741 or by email at [KFisher@farleycap.com](mailto:KFisher@farleycap.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.**

**Additional information about Farley Capital is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Farley Capital is registered as an investment adviser with the SEC under the U.S. Investment Advisers Act of 1940, as amended (the “Advisers Act”). SEC registration does not imply a certain level of skill or training.**

## **ITEM 2 – MATERIAL CHANGES**

If you are amending your *brochure* for your annual update and it contains material changes from your last annual update, identify and discuss those changes on the cover page of the *brochure* or on the page immediately following the cover page, or as a separate document accompanying the *brochure*. You must state clearly that you are discussing only material changes since the last annual update of your *brochure*, and you must provide the date of the last annual update of your *brochure*.

The cover page of this brochure has been revised to indicate the person that clients may contact for questions regarding the information contained in this brochure. In addition, Item 4 has been updated to reflect our assets under management as of October 31, 2013. Item 12 has been amended to describe the factors considered by Farley Capital in determining best execution, as well as to expand the discussion relative to the aggregation of the purchase or sale of securities for our clients. Lastly, Item 17 has also been revised to expand the discussion regarding our proxy voting policy.

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## ITEM 4 – ADVISORY BUSINESS

<p><b>Item 4.A</b></p>	<p>Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).</p> <p>Farley Capital II L.P. (“Farley Capital”), including its predecessor Farley Capital L.P., was founded in November 1989. Farley Capital currently provides discretionary investment advisory services, including, but not limited to, managing and directing the investment and reinvestment of assets for the following private investment funds:</p> <ul style="list-style-type: none"> <li>○ Labrador Partners L.P., a Delaware limited partnership (“Labrador Partners”)</li> <li>○ Newfoundland Partners L.P., a Delaware limited partnership (“Newfoundland Partners”)</li> </ul> <p>Each of Labrador Partners and Newfoundland Partners may be referred to individually in this brochure as a “Fund” and together as the “Funds.” The terms for each Fund are disclosed in detail in that Fund’s confidential offering documents and its limited partnership agreement (collectively, the “Offering Documents”) that are provided to prospective investors prior to investment.</p> <p>Farley Capital acts as the management company of each Fund. Farley Associates II LLC and FA Newfoundland LLC, each a Delaware limited liability company, are the general partners (together, the “General Partners”) of Labrador Partners and Newfoundland Partners, respectively, and are affiliates of Farley Capital. Farley Capital also currently provides discretionary investment advisory services to one separately managed account (the “Managed Account,” and together with the Funds, the “Advisory Clients”).</p> <p>Stephen Farley LLC, a limited liability company principally owned by Mr. Stephen Farley, is the General Partner and controlling owner of Farley Capital.</p>
<p><b>Item 4.B</b></p>	<p>Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.</p> <p>Farley Capital is a fundamental value investor. Its investment philosophy is based upon the belief that every security has an intrinsic value. Farley Capital seeks to earn for its Advisory Clients superior rates of return in the securities markets by buying securities at significant discounts to their intrinsic values. Farley Capital seeks generally to invest in the securities of high quality businesses with competitive advantages. Such sustainable competitive advantages may include strong brand names, dominant market shares, unique corporate cultures, technological expertise, patent protections, unique distribution systems or government charters. Also, Farley Capital looks for companies with strong management teams composed of individuals whom Farley Capital believes to be honest, intelligent and shareholder-oriented and who can prudently reinvest the capital generated by their businesses. Farley Capital may also acquire, on behalf of the Advisory Clients, securities of companies that sell at a discount to current</p>

	<p>assets net of all debt or that are in other special situations such as restructurings. Furthermore, Farley Capital may pursue in its discretion other opportunities that it believes can achieve a superior return for its Advisory Clients.</p>
<b>Item 4.C</b>	<p>Explain whether (and, if so, how) you tailor your advisory services to the individual needs of <i>clients</i>. Explain whether <i>clients</i> may impose restrictions on investing in certain securities or types of securities.</p> <p>Farley Capital neither tailors its advisory services to the individual needs of investors in the Funds nor accepts investor-imposed investment restrictions with respect to the Funds. When deemed appropriate for a large or strategic investor, Farley Capital may establish a managed account and may tailor its investment objectives to those of the specific investor and/or be subject to different terms and/or fees than those of the other investors in the Funds. Such investment objectives, fee arrangements and terms would be individually negotiated, and it should be noted that any such managed account relationships would generally be subject to significant account minimums.</p>
<b>Item 4.D</b>	<p>If you participate in <i>wrap fee programs</i> by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.</p> <p>Farley Capital does not participate in wrap fee programs.</p>
<b>Item 4.E</b>	<p>If you manage <i>client</i> assets, disclose the amount of <i>client</i> assets you manage on a <i>discretionary basis</i> and the amount of <i>client</i> assets you manage on a <i>non-discretionary basis</i>. Disclose the date “as of” which you calculated the amounts.</p> <p>As of October 31, 2013, Farley Capital has approximately \$171,153,354 of regulatory assets under management. Farley Capital does not currently manage any Advisory Client assets on a non-discretionary basis.</p>

## ITEM 5 – FEES AND COMPENSATION

<b>Item 5.A</b>	<p>Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.</p> <p>As described below, Farley Capital is compensated for its advisory services to the Funds in the form of a fixed management fee (the “Management Fee”). Farley Capital does not receive a performance-based fee for services rendered to the Funds, however, the General Partners of each of the Funds receive an incentive allocation (the “Incentive Allocation”).</p> <p><u>Management Fee</u></p> <p>Each Fund pays to Farley Capital a Management Fee as of the beginning of each calendar quarter equal to 0.25% (1.0% annualized) of the quarter-beginning balance in the capital account of each investor. The Management Fee is calculated and paid in advance, but is amortized over the quarter during which such Management Fee is earned. A pro rata portion of the Management Fee will be paid out of any capital contributions made by new or existing investors to a Fund on any date that does not fall on the first day of a calendar quarter, based on the actual number of days remaining in such partial quarter.</p> <p>The General Partner of each Fund is authorized to reduce, waive or calculate differently the Management Fee with respect to one or more capital accounts of certain investors.</p> <p><u>Incentive Allocation</u></p> <p>Generally, at the end of each year, each Fund allocates an Incentive Allocation to the capital account of its General Partner equal to 10% of the excess of the net capital appreciation allocated to the capital account of any investor in that Fund over the Management Fee deducted from such capital account. Certain investors in the Funds and/or in certain other funds managed by Farley Capital in the future may have a right to be allocated a portion of the Incentive Allocation through an investment in the General Partner, in exchange for a five-year capital commitment by such investors in the Funds.</p> <p>The net capital appreciation upon which the calculation of an Incentive Allocation is based is deemed reduced by the unrecovered balance, if any, in an investor’s “Loss Recovery Account”. The Loss Recovery Account is a memorandum account, established for each investor upon its admission to a Fund, the opening balance of which is zero. At each date that an Incentive Allocation is to be determined, the balance in each investor’s Loss Recovery Account is credited with aggregate net capital depreciation (taking into account such investor’s share of the Management Fee) since the last date on which a calculation of the Incentive Allocation was made (or in the case of the first such calculation for an investor, since the admission of the investor), and debited, but not beyond zero, by the aggregate net capital appreciation (taking into account such investor’s share of the Management Fee) since that date. In the event that an investor with an unrecovered balance in its Loss Recovery Account withdraws all or a portion of its capital in the Fund, the unrecovered balance in such investor’s Loss Recovery Account will be proportionately reduced. Additional capital contributions do not</p>
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	<p>affect an investor's Loss Recovery Account.</p> <p>Fees charged to our separately managed account clients may vary, and payment terms would be detailed in an investment management agreement entered into by and between us and each client.</p> <p><b>The information contained in this Item 5 is only a summary of the fees payable to Farley Capital from the Funds and is qualified in its entirety by the Funds' Offering Documents. It is critical that investors refer to the relevant Fund's Offering Documents for a complete understanding of how Farley Capital is compensated for its advisory services.</b></p>
<b>Item 5.B</b>	<p>Describe whether you deduct fees from <i>clients'</i> assets or bill <i>clients</i> for fees incurred. If <i>clients</i> may select either method, disclose this fact. Explain how often you bill <i>clients</i> or deduct your fees.</p> <p>As described in Item 5.A above, Farley Capital deducts the Management Fee from capital account of each limited partner, on a quarterly basis, and the General Partners deduct the Incentive Allocation from the capital account of each limited partner, on an annual basis.</p>
<b>Item 5.C</b>	<p>Describe any other types of fees or expenses <i>clients</i> may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that <i>clients</i> will incur brokerage and other transaction costs, and direct <i>clients</i> to the section(s) of your <i>brochure</i> that discuss brokerage.</p> <p>Each Fund bears its own expenses, including, but not limited to, the Management Fee, investment expenses (expenses that each General Partner reasonably determines to be related to the investment of the relevant Fund's assets, such as brokerage commissions, expenses relating to short sales, clearing and settlement charges, custodial fees, bank service fees and interest expenses); portfolio and partnership accounting software expenses; legal expenses; accounting expenses; auditing and tax preparation expenses; entity-level taxes; regulatory expenses (including filing fees); and organizational expenses. Such expenses (other than the Management Fee) are shared on a pro rata basis by all of the investors in the relevant fund. To the extent that expenses to be borne by a Fund are paid by its General Partner or Farley Capital in excess of its ratable share, that Fund will reimburse such party for such expenses.</p> <p>If any of the above expenses are incurred jointly for the account of a Fund and any other trading accounts managed by the General Partners, Farley Capital or their affiliates, such expenses will be allocated among the Fund and such other accounts in proportion to the size of the investment made by each in the activity or entity to which the expense relates, or in such other manner as that General Partner considers fair and reasonable.</p> <p>Please refer to the relevant Fund's governing documents (including the relevant Fund's Offering Documents) for a complete understanding of each Fund's fees and expenses.</p> <p>The Funds may be deemed to be paying for research and other services with "soft" or commission dollars. Refer to Item 12 for further information.</p>

<b>Item 5.D</b>	<p>If your <i>clients</i> either may or must pay your fees in advance, disclose this fact. Explain how a <i>client</i> may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.</p> <p>The Management Fee is calculated and paid in advance, on a quarterly basis, as described in Item 5.A above. Although withdrawals are permitted at year-end only, in the unforeseen event that a withdrawal by an investor would occur other than at the end of a calendar quarter, a pro rata portion of the Management Fee (based on the actual number of days remaining in the quarter in which the withdrawal was made) will be repaid by Farley Capital to the relevant Fund and the amount distributed to the withdrawing investor will only reflect a Management Fee for the portion of such quarter prior to such withdrawal.</p>
<b>Item 5.E</b>	<p>If you or any of your <i>supervised persons</i> accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.</p> <p>Neither Farley Capital nor any of its supervised persons accept compensation for the sale of securities or other investment products to our clients.</p>
<b>Item 5.E.1</b>	<p>Explain that this practice presents a conflict of interest and gives you or your <i>supervised persons</i> an incentive to recommend investment products based on the compensation received, rather than on a <i>client's</i> needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to <i>clients</i>. If you primarily recommend mutual funds, disclose whether you will recommend “no-load” funds.</p> <p>Not applicable</p>
<b>Item 5.E.2</b>	<p>Explain that <i>clients</i> have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.</p> <p>Not applicable</p>
<b>Item 5.E.3</b>	<p>If more than 50% of your revenue from advisory <i>clients</i> results from commissions and other compensation for the sale of investment products you recommend to your <i>clients</i>, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.</p> <p>Not applicable</p>
<b>Item 5.E.4</b>	<p>If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.</p> <p>Not applicable</p>



## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

If you or any of your *supervised persons* accepts *performance-based fees* – that is, fees based on a share of capital gains on or capital appreciation of the assets of a *client* (such as a *client* that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your *supervised persons* manage both accounts that are charged a *performance-based fee* and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your *supervised persons* face by managing these accounts at the same time, including that you or your *supervised persons* have an incentive to favor accounts for which you or your *supervised persons* receive a *performance-based fee*, and describe generally how you address these conflicts.

As described in Item 5.B above, Farley Capital does not receive performance-based fees from the Funds. However, the General Partners receives a performance-based compensation for services rendered to the Funds.

Farley Capital, however, receives performance-based compensation for services rendered to the Managed Account. It should be noted that the receipt by Farley Capital, or its affiliates, of a performance-based compensation creates a potential conflict of interest in that it may create a theoretical incentive for Farley Capital (or its affiliate) to effectuate larger and more risky transactions than would be the case in the absence of such form of compensation. In order to address such potential conflict, Farley Capital has established policies and procedures relating to trade allocation and has established a code of ethics that requires it and its supervised persons to always act in the best interest of its clients.

In addition, because Farley Capital receives performance-based compensation from its Managed Account Client but not from the Funds, there may be a perceived conflict of interest in that Farley Capital may allocate more time and resources to a client from whom Farley Capital receives a performance-based fee. However, since an affiliate of Farley Capital, which is owned by the same entity that controls Farley Capital, receives the performance-based fee from the Funds, there is currently no potential conflict of interest that exists since all performance-based compensation redound ultimately to the benefit of the same entity.

Investors in the Funds are encouraged to read and understand the disclosures contained in the applicable Fund's Offering Document for a complete understanding of the incentive allocation payable to the General Partner and the risks associated with such arrangement.

## ITEM 7 – TYPES OF CLIENTS

Describe the types of *clients* to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Farley Capital provides investment advisory services to pooled investment vehicles operating as private investment funds. Farley Capital does not impose any minimum account requirements on such private fund clients, however, such private fund clients generally impose minimum account requirements on their investors and/or require them to satisfy certain suitability standards.

When deemed appropriate for a large or strategic investor, Farley Capital may establish a managed account and may tailor its investment objectives to those of the specific investor and/or be subject to different terms and/or fees than those of the Funds. It should be noted that any such managed account relationships would generally be subject to significant account minimums, all of which are reflected in the advisory agreement between Farley Capital and the managed account client.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Item 8.A	<p>Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that <i>clients</i> should be prepared to bear.</p> <p>Each Advisory Client's investment strategy is based upon a fundamental, research intensive, security selection process. Farley Capital will monitor general macroeconomic conditions, but believes that the analysis and selection of individual securities is the most determinant factor in achieving superior investment results. Farley Capital begins its extensive primary research with a thorough analysis of a company's financial statements. In addition, Farley Capital's investment team often spends considerable time visiting with the management of prospective company, as well as conducting field research, which may involve interviewing their customers, suppliers and competitors.</p> <p>Investment opportunities come from several sources. Knowledge gained from previous investment research often leads to additional investment opportunities. Further opportunities might arise from Farley Capital's ongoing review of prospective investments. Moreover, Farley Capital's investment implementation is based upon primary research, not on secondary research, such as research reports generated by Wall Street brokerage firms. Farley Capital believes that some of the best bargains are in companies ignored by Wall Street firms.</p> <p>Each Advisory Client's investment philosophy is not limited to any specific size of company. As the assets that Farley Capital and its affiliates control are small relative to many other investment firms, the Advisory Clients may, from time to time, invest in smaller companies, the market for which may be less efficient than the market for larger companies. From time to time, Farley Capital also finds value in the shares of larger companies.</p> <p>Unlike many other investment funds that, as a matter of investment policy, diversify portfolio holdings so that no more than a fixed percentage of their assets are invested in any one industry or group of industries, the Advisory Clients do not have arbitrarily fixed guidelines for diversification. Farley Capital often concentrates the Advisory Clients' investments in particular industries or companies. Farley Capital prefers to own a large amount of one high quality, sound investment than to be diversified among many investments of lesser quality. Therefore, the Advisory Clients may, from time to time, hold a few, relatively large (in relation to their capital) securities positions, with the result being that a loss in any such position could have a material adverse impact on the Advisory Clients' capital.</p> <p><b>Each of the Advisory Clients has broad and flexible investment authority. The Advisory Clients may have other strategies or engage in other activities than those described herein. It is critical that investors who invest in the Funds refer to the relevant Fund's Offering Documents for a complete understanding of that Fund's investment objective and strategy. The information contained in this Item 8 is a summary only and is qualified in its</b></p>
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	<p><b>entirety by such Offering Documents.</b></p> <p><b>The Funds are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment in the Funds. An investment in the Funds is not intended as a complete investment program.</b></p>
<b>Item 8.B</b>	<p>For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.</p> <p><u>General Investment and Trading Risks.</u> All securities investments risk the loss of capital. Farley Capital believes that the Funds' investment programs and research techniques moderate this risk through a careful selection of securities and other financial instruments. No guarantee or representation, however, is made that the Funds' investment programs will be successful. The Funds' investment programs are authorized to use such investment techniques as leverage (not to exceed 10% of capital), short sales (when deemed appropriate by Farley Capital), and, on a small scale, and rarely, forward and options contracts, which practices can, in certain circumstances, increase the adverse impact of market moves to which the Funds may be subject. The Funds may, but are not required to, hedge their portfolios by establishing short positions when Farley Capital believes doing so would be beneficial to the Funds.</p> <p><u>Leverage and Financing Risk.</u> Although the Funds are authorized to use leverage (borrowing) under circumstances determined by Farley Capital, leverage will likely rarely be used and shall not exceed 10% of capital.</p> <p>While leverage may present opportunities for increasing the Funds' total returns, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by the Funds would be magnified to the extent the Funds are leveraged. The cumulative effect of the use of leverage by the Funds in a market that moves adversely to the Funds' investments could result in a substantial loss to the Funds that would be greater than if the Funds were not leveraged.</p> <p>In general, the use of short-term margin borrowings results in certain additional risks to the Funds. For example, should the securities pledged to brokers to secure the Funds' margin accounts decline in value, the Funds could be subject to a "margin call," pursuant to which the Funds must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of the Funds' assets, the Funds might not be able to liquidate assets quickly enough to satisfy their margin requirements.</p> <p><u>Short Selling.</u> Although the Funds' portfolios may from time to time include short positions, the Funds have not had short positions in several years. Nevertheless, a short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the Funds of buying those securities to cover the short</p>

	<p>position. Should the Funds’ portfolios again include short positions, there can be no assurance that the Funds will be able to maintain the ability to borrow securities sold short. In such cases, the Funds can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.</p> <p><u>Valuation.</u> Securities that Farley Capital believes are fundamentally undervalued or overvalued may not ultimately be valued in the capital markets at prices and/or within the time frame Farley Capital anticipates. In particular, purchasing securities at prices that Farley Capital believes to be distressed or below fair value is no guarantee that the price of such securities will not decline even further.</p> <p><u>Highly Volatile Markets.</u> The prices of financial instruments in which the Funds may invest can be highly volatile. Price movements in which the Funds’ assets may be invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. The Funds are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses.</p> <p><u>Limited Diversification.</u> The Funds’ portfolios could become significantly concentrated in any one issuer, industry, sector, strategy, country or geographic region, and such concentration of risk may increase the losses suffered by the Funds. In addition, it is possible that Farley Capital may select investments that are concentrated in a limited number or type of financial instruments. This limited diversity could expose the Funds to losses disproportionate to market movements in general if there are disproportionately greater adverse price movements in those financial instruments.</p> <p><b>Please refer to the Offering Documents of the Funds for a detailed description of the material risks related in an investment in the Funds.</b></p>
<b>Item 8.C</b>	<p>If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.</p> <p>The following material risks relate to particular types of securities that could be purchased or sold by Farley Capital on behalf of the Funds:</p> <p><u>Non-U.S. Securities.</u> Farley Capital may invest a portion of the Funds’ assets in the debt or other securities and instruments of issuers (governmental and non-governmental) located outside the United States. In addition to business uncertainties, such investments may be affected by political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly as to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of companies domiciled in such markets.</p>

	<p>With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, imposition of withholding and other taxes on interest, dividends, capital gains and other income, limitations on the removal of funds or other assets of the Funds, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.</p> <p>The Funds may be subject to additional risks that include possible adverse political and economic developments, possible seizure or nationalization of foreign deposits and possible adoption of governmental restrictions that might adversely affect the payment of principal and interest to investors located outside the country of the issuer, whether from currency blockage or otherwise. Transaction costs of investing in non-U.S. securities markets are generally higher than in the U.S. For example, some of the securities may be subject to brokerage taxes levied by governments, which has the effect of increasing the cost of such investment and reducing the realized gain or increasing the realized loss on such securities at the time of sale. There is generally less government supervision and regulation of exchanges, brokers and issuers than there is in the United States. The Funds might have greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures that in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Funds' performance. While Farley Capital will take these factors into consideration in making investment decisions for the Funds, no assurance can be given that the Funds will be able to fully avoid these risks.</p> <p><u>Call Options.</u> There are risks associated with the sale and purchase of call options. The seller (writer) of a call option that is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security offset by the gain by the premium received if the option expires out of the money, and gives up the opportunity for gain on the underlying security above the exercise price of the option. If the seller of the call option owns a call option covering an equivalent number of shares with an exercise price equal to or less than the exercise price of the call written, the position is "fully hedged" if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security (if the market price of the underlying security declines).</p> <p><u>Put Options.</u> There are risks associated with the sale and purchase of put options. The seller (writer) of a put option that is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sale price of the short position of the underlying security offset by the premium if the option expires out of the money, and thus the gain in the premium, and the option seller gives up the opportunity</p>
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	<p>for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered, unhedged put option assumes the risk of a decline in the market price of the underlying security to zero. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.</p> <p><u>Hedging Transactions.</u> From time to time, the Funds may utilize financial instruments, both for investment purposes and for risk management purposes in order to (i) protect against possible changes in the market value of the Funds’ portfolios resulting from fluctuations in the securities markets and changes in interest rates; (ii) protect the Funds’ unrealized gains; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Funds’ portfolios; (v) hedge the interest rate or currency exchange rate on any of the Funds’ liabilities or assets; (vi) protect against any increase in the price of any securities the Funds anticipates purchasing at a later date; or (vii) for any other reason that Farley Capital deems appropriate.</p> <p>If the Funds were to enter into any hedging transaction, the success of such a transaction would depend, in part, upon Farley Capital’s ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. While Farley Capital may enter into hedging transactions to seek to reduce the Funds’ risk, such transactions may result in a poorer overall performance than if it had not engaged in such hedging transactions. For a variety of reasons, Farley Capital may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Funds from achieving the intended hedge or expose the Funds to risk of loss. Farley Capital may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk.</p> <p><b>Please refer to the Offering Documents of the Funds for a detailed description of the material risks related in an investment in the Funds.</b></p>
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## ITEM 9 – DISCIPLINARY INFORMATION

If there are legal or disciplinary events that are material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a *management person* has been *involved* in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the *management person's* favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the “date” of an event is the date that the final *order*, judgment, or decree was entered, or the date that any rights of appeal from preliminary *orders*, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation.

<b>Item 9.A</b>	<p>A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any <i>felony</i>; (b) a <i>misdemeanor</i> that <i>involved</i> investments or an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;</li> <li>2. is the named subject of a pending criminal <i>proceeding</i> that involves an <i>investment-related</i> business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;</li> <li>3. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i> statute or regulation; or</li> <li>4. was the subject of any <i>order</i>, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a <i>management person</i> from engaging in any <i>investment-related</i> activity, or from violating any <i>investment-related</i> statute, rule, or <i>order</i></li> </ol> <p><a href="#">Not applicable.</a></p>
<b>Item 9.B</b>	<p>An administrative <i>proceeding</i> before the SEC, any other federal regulatory agency, any state regulatory agency, or any <i>foreign financial regulatory authority</i> in which your firm or a <i>management person</i></p> <ol style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of an <i>investment-related</i></li> </ol>



	<p>statute or regulation and was the subject of an <i>order</i> by the agency or authority</p> <ul style="list-style-type: none"> <li>(a) denying, suspending, or revoking the authorization of your firm or a <i>management person</i> to act in an <i>investment-related</i> business;</li> <li>(b) barring or suspending your firm's or a <i>management person's</i> association with an <i>investment-related</i> business;</li> <li>(c) otherwise significantly limiting your firm's or a <i>management person's investment-related</i> activities; or</li> <li>(d) imposing a civil money penalty of more than \$2,500 on your firm or a <i>management person</i>.</li> </ul> <p>Not applicable.</p>
<b>Item 9.C</b>	<p>A self-regulatory organization (SRO) proceeding in which your firm or a management person</p> <ul style="list-style-type: none"> <li>1. was <i>found</i> to have caused an <i>investment-related</i> business to lose its authorization to do business; or</li> <li>2. was <i>found</i> to have been <i>involved</i> in a violation of the <i>SRO's</i> rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from <i>investment-related</i> activities; or (iii) fined more than \$2,500.</li> </ul> <p>Not applicable.</p>

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

<b>Item 10.A</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.</p> <p><a href="#">Not applicable.</a></p>
<b>Item 10.B</b>	<p>If you or any of your <i>management persons</i> are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.</p> <p><a href="#">Not applicable.</a></p>
<b>Item 10.C</b>	<p>Describe any relationship or arrangement that is material to your advisory business or to your <i>clients</i> that you or any of your <i>management persons</i> have with any <i>related person</i> listed below. Identify the <i>related person</i> and if the relationship or arrangement creates a material conflict of interest with <i>clients</i>, describe the nature of the conflict and how you address it.</p> <ol style="list-style-type: none"> <li>1. broker-dealer, municipal securities dealer, or government securities dealer or broker</li> <li>2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)</li> <li>3. other investment adviser or financial planner</li> <li>4. futures commission merchant, commodity pool operator, or commodity trading advisor</li> <li>5. banking or thrift institution</li> <li>6. accountant or accounting firm</li> <li>7. lawyer or law firm</li> <li>8. insurance company or agency</li> <li>9. pension consultant</li> <li>10. real estate broker or dealer</li> <li>11. sponsor or syndicator of limited partnerships</li> </ol> <p><a href="#">The General Partners, who are affiliates of Farley Capital, each acts as the general partner to one of the Funds and in such capacity receives a performance-based compensation for its services.</a></p> <p><a href="#">Except as noted above, neither Farley Capital nor any of its management persons have affiliations with broker-dealers, municipal securities dealers, government securities dealers, investment companies or other pooled investment vehicles, other investment advisers or financial planners, futures commission merchants, registered commodity pool operators, registered commodity trading advisors, banking or thrift institutions, accountants or accounting firms, lawyers, law firms, insurance agencies or companies, pension consultants, real estate brokers or dealers or other sponsors or syndicators of limited partnerships.</a></p>

<b>Item 10.D</b>	<p>If you recommend or select other investment advisers for your <i>clients</i> and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.</p> <p>Not applicable.</p>
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## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

<p><b>Item 11.A</b></p>	<p>If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any <i>client</i> or prospective <i>client</i> upon request.</p> <p>Farley Capital has adopted a Code of Ethics governing personal trading by its personnel. Farley Capital's Code of Ethics has been designed to comply with the requirements of Advisers Act Rule 204A-1. Among other things, the Code of Ethics (i) requires that all employees comply with federal securities laws, (ii) requires that all access persons submit to Farley Capital reports containing their personal securities holdings and transactions in reportable securities, and that Farley Capital review such reports, (iii) requires all access persons to obtain pre-approval of certain personal securities transactions; and (iv) contains policies and procedures designed to prevent the misuse of material, non-public information. All personnel of Farley Capital are required to certify their compliance with the Code of Ethics.</p> <p>Clients or prospective clients may arrange a time to review Farley Capital's Code of Ethics by contacting the Chief Compliance Officer at (212) 421-8741.</p>
<p><b>Item 11.B</b></p>	<p>If you or a <i>related person</i> recommends to <i>clients</i>, or buys or sells for <i>client</i> accounts, securities in which you or a <i>related person</i> has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Related persons of Farley Capital and its affiliates may buy, sell or otherwise invest in certain securities that Farley Capital also buys, sells or otherwise invests in for its Advisory Clients. Accordingly, related persons of Farley Capital and its affiliates may be deemed to have a material financial interest in the securities purchased or sold on behalf of Farley Capital's Advisory Clients. In order to manage this conflict of interest, Farley Capital's Code of Ethics requires access persons of Farley Capital to obtain prior written approval from the Chief Compliance Officer before buying, selling or otherwise investing, for their personal accounts, in certain securities that Farley Capital also buys, sells or otherwise invests in for its Advisory Clients. Such related person transactions will be reviewed in the best interests of the Advisory Clients and will be denied by the Chief Compliance Officer if there is risk of potential adverse consequences to the Advisory Clients.</p> <p>Additionally, Stephen Farley has a personal investment in each of the Funds through his ownership interests in the General Partners.</p>
<p><b>Item 11.C</b></p>	<p>If you or a <i>related person</i> invests in the same securities (or related securities, <i>e.g.</i>, warrants, options or futures) that you or a <i>related person</i> recommends to <i>clients</i>, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.</p> <p>Farley Capital does not recommend securities to its clients; it purchases and sells</p>

	<p>securities on behalf of its clients that its related persons also purchase or sell for their own account. Accordingly, related persons of Farley Capital and its affiliates may be deemed to have a material financial interest in the securities purchased or sold on behalf of Farley Capital's Advisory Clients. Please see response under Item 11.B above for a discussion of the potential conflicts of interest arising from such arrangement and how such conflict of interests are addressed.</p>
<b>Item 11.D</b>	<p>If you or a <i>related person</i> recommends securities to <i>clients</i>, or buys or sells securities for <i>client</i> accounts, at or about the same time that you or a <i>related person</i> buys or sells the same securities for your own (or the <i>related person's</i> own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.</p> <p>Farley Capital does not recommend securities to its clients; it purchases and sells securities on behalf of its clients. Farley Capital's related persons are also permitted to purchase or sell, whether at or about the same time, securities that are purchased or sold by Farley Capital on behalf of its Advisory Clients. Accordingly, related persons of Farley Capital and its affiliates may be deemed to have a material financial interest in the securities purchased or sold on behalf of Farley Capital's Advisory Clients. Please see response under Item 11.B above for a discussion of the potential conflicts of interest arising from such arrangement and how such conflict of interests are addressed.</p>

## ITEM 12 – BROKERAGE PRACTICES

Item 12.A.1	<p>Describe the factors that you consider in selecting or recommending broker-dealers for <i>client</i> transactions and determining the reasonableness of their compensation (e.g., commissions).</p> <p><u>Research and Other Soft Dollar Benefits.</u> If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.</p> <ol style="list-style-type: none"> <li>a. Explain that when you use <i>client</i> brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.</li> <li>b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your <i>clients’</i> interest in receiving most favorable execution.</li> <li>c. If you may cause <i>clients</i> to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.</li> <li>d. Disclose whether you use soft dollar benefits to service all of your <i>clients’</i> accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to <i>client</i> accounts proportionately to the soft dollar credits the accounts generate.</li> <li>e. Describe the types of products and services you or any of your <i>related persons</i> acquired with <i>client</i> brokerage commissions (or markups or markdowns) within your last fiscal year.</li> <li>f. Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for soft dollar benefits you received.</li> </ol> <p>Portfolio transactions for the Funds are allocated to brokers on the basis of best execution. In determining best execution, Farley Capital may take into account the full range and quality of a broker's services that benefit an account under management such as brokerage, research and other services. Therefore, Farley Capital may not necessarily negotiate “execution only” commission rates and may “pay up” for research and other services provided by the broker through the commission rate (“soft dollars”). However, since commission rates are generally negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may result in higher transaction costs than would be otherwise obtainable.</p> <p>The use of commission or “soft” dollars (or dealer markups and markdowns</p>
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	<p>arising in connection with riskless principal transactions) for research and research-related services will come within the safe harbor for the use of soft dollars provided under Section 28(e) of the Securities Exchange Act of 1934, as amended. Under Section 28(e), research obtained with soft dollars generated by a Fund may be used by Farley Capital to service accounts other than that particular Fund that generated the soft dollars. Where a product or service obtained with commission dollars provides both research and non-research assistance to Farley Capital, the Funds will make a reasonable allocation of the cost, which may be paid for with commission dollars.</p> <p>The Funds' securities transactions can be expected to generate brokerage commissions and other compensation, all of which the Funds, not Farley Capital, will be obligated to pay. Farley Capital has complete discretion in deciding what brokers and dealers the Funds will use and in negotiating the rates of compensation the Funds will pay. In addition to using brokers as "agents" and paying commissions, the Funds may buy or sell securities directly from or to dealers acting as principals at prices that include markups or markdowns, and may buy securities from underwriters or dealers in public offerings at prices that include compensation to the underwriters and dealers.</p> <p>From time to time, the Funds may execute over-the-counter trades on an agency basis rather than on a principal basis. In these situations, the broker used by the Funds may acquire or dispose of a security through a market-maker (a practice known as "interpositioning"). The transaction may thus be subject to both a commission and a markup or markdown. Farley Capital believes that the use of a broker in such instances is consistent with its duty of obtaining best execution for the Funds. The use of a broker can provide anonymity in connection with a transaction. In addition, a broker may, in certain cases, have greater expertise or greater capability in connection with both accessing the market and executing a transaction.</p> <p>Brokers sometimes suggest a level of business they would like to receive in return for the various products and services they provide. Actual brokerage business received by any broker may be less than the suggested allocation, but can (and often does) exceed the suggested level, because total brokerage is allocated on the basis of all of the considerations described above. A broker is not excluded from receiving business because it has not been identified as providing research products or services. Investment information received from the Funds' brokers may be used by Farley Capital in servicing all its accounts, and not all such information need be used by Farley Capital in connection with a particular Fund. Nonetheless, Farley Capital believes that such investment information provides each Fund with benefits by supplementing the research otherwise available to that Fund.</p> <p>To the extent that securities are purchased in non-U.S. markets, the Funds' brokers may utilize the services of sub-custodians located in the country in which the securities are purchased. Such sub-custodians will maintain custody of the securities until such time as they are sold, at which point uninvested proceeds will be transferred back to the Funds' accounts at the prime broker or be custodied temporarily with the sub-custodian.</p> <p>The Funds may from time to time retain a prime broker to provide clearing and settlement services with respect to transactions with brokers and dealers. Such</p>
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	<p>prime broker will be reimbursed for such services and any out-of-pocket expenses at customary rates as from time to time may be agreed upon by Farley Capital. The Funds are not committed to continue their relationship with a prime broker for any minimum period, and they may enter into relationships with additional prime brokers (and/or custodians) in the future.</p>
<b>Item 12.A.2</b>	<p>Brokerage for <i>Client</i> Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a <i>related person</i> receives <i>client</i> referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.</p> <ol style="list-style-type: none"> <li>Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving <i>client</i> referrals, rather than on your <i>clients'</i> interest in receiving most favorable execution.</li> <li>Explain the procedures you used during your last fiscal year to direct <i>client</i> transactions to a particular broker-dealer in return for <i>client</i> referrals.</li> </ol> <p>Although it is not expected to occur, the selection of a broker (including a prime broker) may be influenced by, among other things, capital introduction services, whereby Farley Capital may be afforded the opportunity to make a presentation regarding its services to certain qualified investors recommended by the broker. While the broker generally provides capital introduction services pursuant to its internal practices and at no additional cost, and certain other services at favorable or below market rates, Farley Capital, and not the Funds, may be the principal or sole beneficiary of those services, thus presenting a potential conflict of interest between the Funds and Farley Capital, which is responsible for selecting the broker and negotiating such person's brokerage, margin and other fees on behalf of its Advisory Clients.</p>
<b>Item 12.A.3</b>	<p><u>Directed Brokerage.</u></p> <ol style="list-style-type: none"> <li>If you routinely <u>recommend</u>, <u>request</u> or <u>require</u> that a <i>client</i> direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their <i>clients</i> to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of <i>client</i> transactions, and that this practice may cost <i>clients</i> more money.</li> <li>If you <u>permit</u> a <i>client</i> to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of <i>client</i> transactions. Explain that directing brokerage may cost <i>clients</i> more money. For example, in a directed brokerage account, the <i>client</i> may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the <i>client</i> may receive less favorable prices.</li> </ol> <p>Not applicable.</p>



<p><b>Item 12.B</b></p>	<p>Discuss whether and under what conditions you aggregate the purchase or sale of securities for various <i>client</i> accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to <i>clients</i> of not aggregating.</p> <p>In managing Advisory Client portfolios, Farley Capital will generally aggregate trades, subject to best execution. This general approach, however, may be subject to change based on a number of factors, including but not limited to the following: (i) the transaction costs outweigh the benefit to the Advisory Client; (ii) the Advisory Client has more or less available capacity than other Advisory Clients (e.g., due to capital inflows or outflows into the Advisory Client); (iii) the account is underweight or overweight in the particular investment (i.e., the specific security) that may make additional exposure more or less appropriate; (iv) the transaction involves illiquid securities; (v) the allocation is so small or the securities are of such limited availability that the trade cannot easily be broken up pro rata among Advisory Clients; or (vii) one of the Advisory Clients is a Managed Account that is subject to limitations on the particular investment.</p> <p>Aggregation opportunities generally arise when more than one Advisory Client is capable of purchasing or selling a particular security based on investment objectives, available cash and other factors. Farley Capital may aggregate client orders when doing so will result in a better overall price for Advisory Client trades. When aggregating orders, all accounts will be treated in a fair and equitable manner – meaning that no account will be favored over any other account, and each account which participates in an aggregated order will participate at the average price for all transactions executed under that order and will bear its pro rata share of transaction costs.</p>
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## ITEM 13 – REVIEW OF ACCOUNTS

<b>Item 13.A</b>	<p>Indicate whether you periodically review <i>client</i> accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the <i>supervised persons</i> who conduct the review.</p> <p>Stephen Farley, in his role as Managing Member of the General Partner of Farley Capital, has overall responsibility for the investments of the Advisory Clients. Evelyn Allende, Office Administrator, oversees preparation of a daily trade blotter confirming the trades that have been made for the Advisory Client accounts, which trade blotter Mr. Farley reviews each day.</p> <p>Further, the Chief Compliance Officer periodically reviews the firm’s trading several times each week to ensure consistency with the investment strategies and investment guidelines set forth in Offering Documents provided to investors in the Funds, as well as applicable law and regulations.</p>
<b>Item 13.B</b>	<p>If you review <i>client</i> accounts on other than a periodic basis, describe the factors that trigger a review</p> <p>See Item 13.A above.</p>
<b>Item 13.C</b>	<p>Describe the content and indicate the frequency of regular reports you provide to <i>clients</i> regarding their accounts. State whether these reports are written.</p> <p>Funds’ accountants will audit the Funds’ books and records as of the end of each calendar year. Each Fund will prepare and mail, or cause its accountants to prepare and mail, to each investor and, to the extent necessary, to each former investor (or its legal representatives), together with the report thereon of the accountants selected by Farley Capital, an annual audited financial statement. The Funds will also provide unaudited performance information to investors on a monthly basis through their third-party administrator. All such reports are written.</p> <p>In addition, Mr. Farley may provide written reports to investors in the Funds on an ad hoc basis.</p>

## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

<b>Item 14.A</b>	<p>If someone who is not a <i>client</i> provides an economic benefit to you for providing investment advice or other advisory services to your <i>clients</i>, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.</p> <p>Not applicable.</p>
<b>Item 14.B</b>	<p>If you or a <i>related person</i> directly or indirectly compensates any <i>person</i> who is not your <i>supervised person</i> for <i>client</i> referrals, describe the arrangement and the compensation.</p> <p>As discussed under Item 12.A.2, certain brokers may, pursuant to their internal practices and procedures, provide capital introductions to Farley Capital with respect to the Funds. An increase in the size of the Funds may result in additional compensation to such brokers. We do not guarantee continued business arrangements with our brokers by virtue of capital introduction services provided to us, and the prospect of receiving capital introductions from a broker is not, and will not be, a primary consideration in determining whether to engage or retain their services.</p> <p>Farley Capital has not entered into any arrangements with third parties to act as solicitors for Farley Capital’s investment advisory business. In the event Farley Capital does so in the future, all such compensation would be fully disclosed to each client consistent with applicable law. All such referral activities would be conducted in accordance with SEC Rule 206(4)-3 under the Advisers Act, as well as relevant SEC guidance.</p>

## ITEM 15 – CUSTODY

If you have *custody* of *client* funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your *clients*, explain that *clients* will receive account statements from the broker-dealer, bank or other qualified custodian and that *clients* should carefully review those statements. If your *clients* also receive account statements from you, your explanation must include a statement urging *clients* to compare the account statements they receive from the qualified custodian with those they receive from you.

Farley Capital does not maintain physical custody of the funds and securities of its Advisory Clients. However, Farley Capital and/or the General Partners are deemed to have custody of the Funds' assets by virtue of their status as management company and general partners, respectively.

To ensure compliance with Rule 206(4)-2 under the Advisers Act, all investors in the Funds will be provided with audited financial statements, prepared by an independent accounting firm that is registered with and subject to review by the Public Company Accounting Oversight Board, in accordance with U.S. Generally Accepted Accounting Principles, within 120 days, of the end of the Funds' fiscal years. Investors should carefully review the audited financial statements of the Funds upon receipt and compare such financial statements with any ad hoc reports that they may receive from Farley Capital.

## **ITEM 16 – INVESTMENT DISCRETION**

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

Farley Capital and the General Partners have discretionary authority to manage the Funds. Farley Capital and the General Partners are authorized to make purchase and sale decisions for the Funds. As explained in Item 4.C above, individual investors in the Funds do not have the ability to impose limitations on Farley Capital's discretionary authority. Prospective investors are provided with a confidential offering memorandum prior to their investment and are encouraged to carefully review that offering memorandum, along with all other relevant offering documents, and to be sure that the proposed investment is consistent with their investment goals and tolerance for risk. Prospective investors must also execute a subscription agreement, which constitutes a legal, valid and binding obligation of the investor, enforceable in accordance with its terms, and a limited partnership agreement.

## ITEM 17 – VOTING CLIENT SECURITIES

<b>Item 17.A</b>	<p>If you have, or will accept, authority to vote <i>client</i> securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your <i>clients</i> can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your <i>clients</i> with respect to voting their securities. Describe how <i>clients</i> may obtain information from you about how you voted their securities. Explain to <i>clients</i> that they may obtain a copy of your proxy voting policies and procedures upon request.</p> <p>Farley Capital will generally manage the receipt of incoming voting proxies, maintain a log of all proxies, and place votes based on established policies and guidelines. In the course of exercising discretion to vote a proxy, Farley Capital will vote any such proxies in the best interests of Advisory Clients and in accordance with the procedures outlined below (as applicable). Neither our Advisory Clients nor the Fund’s investors have the ability to direct how we vote proxies.</p> <p>Prior to voting any proxies, Farley Capital’s Chief Compliance Officer will determine if there are any conflicts of interest related to the proxy in question. If a conflict is identified, the Chief Compliance Officer will then make a determination (which may be in consultation with outside legal counsel) as to whether the conflict is material or not. If no material conflict is identified pursuant to its set procedures, the Chief Compliance Officer will forward the proxy to the Proxy Voting Committee. The Proxy Voting Committee will then review the materials for the purpose of determining whether it is in the best interest of the Advisory Client to vote the proxy or not. If one member of the Proxy Voting Committee determines that it is in the best interest of the Advisory Client to vote the proxy, then he or she will inform the Chief Compliance Officer, and the Proxy Voting Committee will convene and make a decision on whether and how to vote the proxy in question, in accordance with the guidelines set forth in Farley Capital’s compliance manual.</p> <p>Investors may obtain additional information regarding how Farley Capital voted proxies and may obtain a copy of Farley Capital’s proxy voting policies and procedures by contacting the Chief Compliance Officer at (212) 421-8741.</p>
<b>Item 17.B</b>	<p>If you do not have authority to vote <i>client</i> securities, disclose this fact. Explain whether <i>clients</i> will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) <i>clients</i> can contact you with questions about a particular solicitation.</p> <p>Not applicable.</p>

## ITEM 18 – FINANCIAL INFORMATION

<b>Item 18.A</b>	<p>If you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, include a balance sheet for your most recent fiscal year.</p> <ol style="list-style-type: none"> <li>1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.</li> <li>2. Show parenthetically the market or fair value of securities included at cost.</li> <li>3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.</li> </ol> <p>Not applicable.</p>
<b>Item 18.B</b>	<p>If you have <i>discretionary authority</i> or <i>custody</i> of <i>client</i> funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per <i>client</i>, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to <i>clients</i>.</p> <p>Farley Capital is not currently aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.</p>
<b>Item 18.C</b>	<p>If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.</p> <p>Not applicable.</p>

## BROCHURE DISCLOSURE

In no event should this disclosure brochure be considered to be an offer of interests in any of Farley Capital's private fund clients or relied on in determining whether to invest in any private fund client. It is also not an offer of, or agreement to provide, advisory services directly to any recipient of this disclosure brochure. Rather, this brochure is designed solely to provide information about Farley Capital for the purpose of compliance with certain obligations under the Advisers Act and, as such, responds to relevant regulatory requirements under the Advisers Act, which may differ from the information provided to potential investors in the Offering Documents. To the extent that there is any conflict between any discussion in this disclosure brochure and the Offering Documents provided to investors, the Offering Documents provided to such investors should govern.